

**POINTE COUPEE PARISH LIBRARY
NEW ROADS, LOUISIANA**

**A COMPONENT UNIT OF THE
POINTE COUPEE PARISH POLICE JURY**

**ANNUAL FINANCIAL REPORT
AS OF AND FOR THE YEAR ENDED
DECEMBER 31, 2010**

Under provisions of state law, this report is a public document. A copy of the report has been submitted to the entity and other appropriate public officials. The report is available for public inspection at the Baton Rouge office of the Legislative Auditor and, where appropriate, at the office of the parish clerk of court.

Release Date 8/3/11

MAJOR, MORRISON & DAVID
Certified Public Accountants
PO Box 190
New Roads, LA 70760

**POINTE COUPEE PARISH LIBRARY
NEW ROADS, LOUISIANA
ANNUAL FINANCIAL REPORT
AS OF AND FOR THE YEAR ENDED DECEMBER 31, 2010**

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MAJOR, MORRISON & DAVID
CERTIFIED PUBLIC ACCOUNTANTS

JOHN L. MORRISON III, CPA, PC
MARK A. DAVID, CPA, PC

VAN P. MAJOR, CPA (1951-2005)

AMERICAN INSTITUTE OF
CERTIFIED PUBLIC ACCOUNTANTS
SOCIETY OF LOUISIANA
CERTIFIED PUBLIC ACCOUNTANTS

Independent Auditors' Report

To the Board of Control
Pointe Coupee Parish Library
New Roads, Louisiana

We have audited the accompanying financial statements of the governmental activities and each major fund of the Pointe Coupee Parish Library, New Roads, Louisiana, a component unit of the Pointe Coupee Parish Police Jury, as of and for the year ended December 31, 2010, which collectively comprise the Library's basic financial statements as listed in the table of contents. These financial statements are the responsibility of the management of the Pointe Coupee Parish Library. Our responsibility is to express opinions on these financial statements based on our audit.

We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinions.

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities and each major fund of the Pointe Coupee Parish Library, New Roads, Louisiana, as of December 31, 2010, and the respective changes in financial position thereof for the year then ended in conformity with accounting principles generally accepted in the United States of America.

In accordance with *Government Auditing Standards*, we have also issued our report dated May 23, 2011, on our consideration of the Pointe Coupee Parish Library's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing and not to provide an opinion on the internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* and should be considered in assessing the results of our audit.

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis and budgetary comparison information on pages 4 through 7 and on page 29 be presented to supplement the basic financial statements. Such information including health care information on page 30, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the Library's financial statements as a whole. The accompanying supplemental information schedules and other information as listed in the foregoing table of contents are presented for the purpose of additional analysis and are not a required part of the financial statements. The information has been subjected to the auditing procedures applied in the audit of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or to the financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the information is fairly stated in all material respects in relation to the financial statements taken as a whole.

Major, Morrison & David
New Roads, Louisiana
May 23, 2011

Major, Morrison & David

MANAGEMENT'S DISCUSSION AND ANALYSIS

**POINTE COUPEE PARISH LIBRARY
NEW ROADS, LOUISIANA
MANAGEMENT'S DISCUSSION AND ANALYSIS
December 31, 2010**

The Management's Discussion and Analysis (MD&A) of the Pointe Coupee Parish Library (Library) provides an overview and overall review of the Library's financial activities for the fiscal year ended December 31, 2010. The intent of the MD&A is to look at the Library's financial performance as a whole. It should, therefore, be read in conjunction with the Library's financial statements found in the financial section starting on page 9, and the notes thereto. MD&A is an element of the new reporting model adopted by the Governmental Accounting Standards Board (GASB) in their Statement No. 34 *Basic Financial Statements- and Management's Discussion and Analysis- for State and Local Governments* issued June 1999.

FINANCIAL HIGHLIGHTS

- The Library's total net assets increased by \$119,149 over the course of this year's operations.
- During the year, the Library's expenses were \$1,181,756 more than the \$79,246 generated in charges for services and operating and capital grants for governmental programs.
- The total cost of the Library's programs was \$1,261,002 an increase of approximately \$101,931 or 8.8 percent.
- Total revenues including general revenues increased by \$68,172 or 5.2 percent.

OVERVIEW OF THE FINANCIAL STATEMENTS

This annual report consists of four parts—management's discussion and analysis (this section), the basic financial statements, required supplementary information, and other supplemental information. The basic financial statements include two kinds of statements that present different views of the Library:

- The first two statements on pages 9 and 10 are government-wide financial statements that provide information about the activities of the Library as a whole and present a longer-term view of the Library's finances.
 - The remaining statements starting on page 11 are fund financial statements that focus on individual parts of the Library's government, reporting the Library's operations in more detail than the government-wide statements.
- The governmental funds statements tell how general government services, such as library services, were financed in the short term as well as what remains for future spending.

The financial statements also include notes that explain some of the information in the financial statements and provide additional detailed data. The notes are followed by a section of required supplementary information that further explains and supports the information in the financial statements as well as providing budgetary comparison data. The last section of the report contains additional supplemental information regarding the governmental fund-general fund. The rest of this overview section of management's discussion and analysis explains the structure of contents of each of the statements.

Government-wide Statements

The government-wide statements report information about the Library as a whole using the accrual basis of accounting, which is similar to that which is used by private sector companies. The statement of net assets on page 9 includes all of the Library's assets and liabilities. All of the current year's revenues and expenses are accounted for in the statement of activities on page 10, regardless of when cash is received or paid.

These two statements report the Library's net assets and changes in them. Net assets – the difference between the Library's assets and liabilities – are one way to measure the Library's financial health, or financial position. Over time, increases and decreases in the Library's net assets are one indicator of whether its financial health is improving or deteriorating. Other nonfinancial factors will also need to be considered to assess the overall health of the Library.

The government-wide financial statements of the Library reports only one type of activity – governmental activities. All of the Library's basic services are included here, such as library services and general administration.

**POINTE COUPEE PARISH LIBRARY
NEW ROADS, LOUISIANA
MANAGEMENT'S DISCUSSION AND ANALYSIS
December 31, 2010**

Fund Financial Statements

The fund financial statements, beginning on page 11, provide more detail about the Library's most significant funds – not the Library as a whole. State laws require the establishment of some funds. Funds are accounting devices that the Library uses to keep track of specific sources of funding and spending for particular purposes.

The Library uses only the governmental type of fund with the following accounting approach. Most of the Library's basic services are included in governmental funds, which focus on how cash and other financial assets that can be readily converted to cash, flow in and out of those funds, and the balances left at year-end that are available for spending. These funds are reported using an accounting method called modified accrual accounting, which measures cash and all other financial assets that can be readily converted to cash. The governmental fund statements therefore provide a detailed short-term view of the Library's general government operations and the basic services it provides, and helps you determine whether there are more or fewer financial resources that can be spent in the near future to finance the Library's programs. Since this information does not include the additional long-term focus of government-wide statements, we provide reconciliations on the subsequent pages that explain the relationship (or differences) between the two different type statements.

FINANCIAL ANALYSIS OF THE LIBRARY AS A WHOLE

Net assets. The Library's combined net assets changed only slightly between fiscal years 2009 and 2010, increasing by \$119,149 to approximately \$4.14 million. (See Table 1 below)

**Table 1
Library's Net Assets**

	Governmental Activities 2009	Governmental Activities 2010
Current and other assets	\$ 2,478,506	\$ 2,666,007
Capital assets	<u>1,638,226</u>	<u>1,582,565</u>
Total assets	\$ 4,116,732	\$ 4,248,572
Current liabilities	91,184	103,875
Noncurrent liabilities	<u>-0-</u>	<u>-0-</u>
Total liabilities	\$ 91,184	\$ 103,875
Net assets:		
Invested in capital assets, net of related debt	1,638,226	1,582,565
Restricted	-0-	23,139
Unrestricted	<u>2,387,322</u>	<u>2,538,993</u>
Total net assets	\$ 4,025,548	\$ 4,144,697

Net assets of the Library's governmental activities increased by 3.0 percent to \$4.14 million.

Changes in net assets. The Library's total revenues increased by 5.2 percent to \$1,380,151 (See Table 2), due to an increase in property tax collections in the parish. Approximately 90 percent of the Library's revenue comes from a general property tax assessed on the property owners in the parish.

The total cost of all programs and services remained relatively stable increasing approximately \$101,931 or 8.8 percent. The Library's expenses cover all services, which it offers to the public.

**POINTE COUPEE PARISH LIBRARY
NEW ROADS, LOUISIANA
MANAGEMENT'S DISCUSSION AND ANALYSIS
December 31, 2010**

Governmental Activities

Revenues for the Library's governmental activities increased by 5.2 percent, while total expenses increased by 8.8 percent.

**Table 2
Changes in Library's Net Assets**

	Governmental Activities 2009	Governmental Activities 2010
Revenues		
Program revenues		
Charges for services	\$ 7,535	\$ 6,869
Operating grants and contributions	82,464	16,099
Capital grants and contributions	-0-	56,278
Other revenues	1,221,980	1,300,905
Total revenues	\$ 1,311,979	\$ 1,380,151
Expenses		
General government	1,159,071	1,261,002
Total expenses	\$ 1,159,071	\$ 1,261,002
Increase in net assets	\$ 152,908	\$ 119,149

**Table 3
Net Cost of Library's Governmental Activities**

	Total Cost of Services 2010	Net Cost of Services 2010
Library Services	\$ 1,261,002	\$ 1,181,756

FINANCIAL ANALYSIS OF THE LIBRARY'S FUNDS

As the Library completed the year, its governmental funds reported a combined fund balance of \$2,556,552, reflecting an increase over the prior year of \$172,242. All of this fund balance is unreserved indicating availability for continuing the library's activities. The increase reflected additional property tax revenues, and decreases in operating expenses, particularly capital outlay expenditures. The library has maintained a healthy fund balance and continues to operate within its budget restrictions.

General Fund Budgetary Highlights

During the year, the library operated well within its budget, but amended it in the expectation of receiving less property tax revenues and incurring additional salaries and related benefits, repairs and maintenance, utilities and communications, and capital outlay costs. Revenues received during the year were greater than expected due to higher property tax collections and expenditures were less than expected due to lower salaries and related benefits, utilities and communications, and capital outlay costs.

**POINTE COUPEE PARISH LIBRARY
NEW ROADS, LOUISIANA
MANAGEMENT'S DISCUSSION AND ANALYSIS
December 31, 2010**

CAPITAL ASSET AND DEBT ADMINISTRATION

Capital Assets

At the end of the year, the Library had invested \$1,582,565 in capital assets. (See Table 4).

**Table 4
Library's Capital Assets
(net of accumulated depreciation)**

	Governmental Activities 2010
Land	\$ 71,265
Buildings and improvements	798,771
Construction in progress	58,847
Vehicles	1,678
Furniture and equipment	59,985
Books and periodicals	513,432
E-Books	15,759
Recordings and cassettes	35,243
Filmstrips and videos	<u>27,585</u>
Total	<u>\$ 1,582,565</u>

Debt

At year-end, the Library had no debt outstanding.

ECONOMIC FACTORS AND NEXT YEAR'S BUDGETS AND RATES

Approximately 90 percent of the Library's revenues are derived from an ad valorem tax on the voters of the parish. The Pointe Coupee Parish Police Jury must approve the Library's millage rates for collection of the ad valorem taxes each year. The economy is not expected to generate any significant growth in assessment values. Neither library fees nor grant income is expected to increase; therefore, future revenues are expected to remain consistent with the current year. Staff levels are not expected to increase, although retirement costs and health costs have continued to rise. Measures taken by the library to offset these increases include increasing the employee contribution for health costs and reducing expenses in other areas. The budget for the year 2011 should be comparable to the year's 2010 budget.

CONTACTING THE LIBRARY'S FINANCIAL MANAGEMENT

This financial report is designed to provide our parishioners, taxpayers, customers, investors and creditors with a general overview of the Library's finances and to demonstrate the Library's accountability for the money it receives. If you have questions about this report or need additional financial information, contact Mrs. Melissa Hymel, Library Director, 201 Claiborne Street New Roads, Louisiana 70760.

BASIC FINANCIAL STATEMENTS

**POINTE COUPEE PARISH LIBRARY
NEW ROADS, LOUISIANA**

Statement of Net Assets

December 31, 2010

	<u>Governmental Activities</u>
ASSETS	
Cash and cash equivalents	\$ 733,368
Investments	674,144
Accounts receivable	4,636
Grants receivable	23,529
Taxes receivable	1,224,750
Land	71,265
Capital assets, net of depreciation	1,511,300
Other post-employment benefits	<u>5,580</u>
Total Assets	<u>4,248,572</u>
LIABILITIES	
Accounts payable and accrued expenses	103,875
Non-current liabilities:	
Other post-employment benefits	<u>0</u>
Total Liabilities	<u>103,875</u>
NET ASSETS	
Invested in capital assets, net of related debt	1,582,565
Restricted for:	
Capital Projects	23,139
Unrestricted (deficit)	<u>2,538,993</u>
Total net assets	<u><u>\$ 4,144,697</u></u>

The accompanying notes are an integral part of this statement.

**POINTE COUPEE PARISH LIBRARY
NEW ROADS, LOUISIANA**

Statement of Activities

For the Year Ended December 31, 2010

FUNCTIONS/PROGRAMS	Expenses	Charges for Services	<u>Program Revenues</u>		Net (Expense) Revenue
			Operating Grants and Contributions	Capital Grants and Contributions	
Governmental activities:					
General government - Library services	\$ 1,281,002	\$ 8,869	\$ 16,099	\$ 58,278	\$ (1,181,756)
Total governmental activities:					<u>(1,181,756)</u>
General revenues:					
Property Taxes - levied for general purposes					1,238,256
State revenue sharing					32,936
Miscellaneous revenue					507
Unrestricted investment earnings					<u>29,206</u>
Total general revenues					<u>1,300,905</u>
Change in net assets					119,149
Net assets - beginning of the year					<u>4,025,548</u>
Net assets - end of the year					<u>\$ 4,144,697</u>

The accompanying notes are an integral part of this statement.

**POINTE COUPEE PARISH LIBRARY
NEW ROADS, LOUISIANA
GOVERNMENTAL FUNDS**

Balance Sheet, December 31, 2010

	GENERAL FUND	CAPITAL PROJECTS FUND	TOTAL GOVERNMENTAL FUNDS
ASSETS			
Cash and cash equivalents	\$ 733,368	\$ 0	\$ 733,368
Investments	674,144	0	674,144
Receivables	1,229,776	23,139	1,252,915
Total Assets	<u>\$ 2,637,288</u>	<u>\$ 23,139</u>	<u>\$ 2,660,427</u>
LIABILITIES & FUND BALANCE			
Liabilities:			
Accounts payable	\$ 29,744	\$ 0	\$ 29,744
Payroll deductions payable	21,861	0	21,961
Other Liabilities	52,170	0	52,170
Total Liabilities	<u>103,875</u>	<u>0</u>	<u>103,875</u>
Fund Balances:			
Unreserved - designated	0	23,139	23,139
Unreserved - undesignated	2,533,413	0	2,533,413
Total Fund Balance	<u>2,533,413</u>	<u>23,139</u>	<u>2,556,552</u>
TOTAL LIABILITIES & FUND BALANCE	<u>\$ 2,637,288</u>	<u>\$ 23,139</u>	<u>\$ 2,660,427</u>

The accompanying notes are an integral part of this statement.

**POINTE COUPEE PARISH LIBRARY
NEW ROADS, LOUISIANA**

**Reconciliation of the Balance Sheet - Governmental Funds
to the Statement of Net Assets**

For the Year Ended December 31, 2010

Total fund balance - governmental funds	\$ 2,556,552
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Amounts reported for governmental activities in the statement
of net assets are different because:

Capital assets used in governmental activities are not current
financial resources and, therefore, are not reported in the
Balance sheet - governmental funds.

1,582,565

Post employment benefits reported in governmental
activities are not current financial resources and, therefore,
are not reported in the Balance sheet - governmental funds.

5,580

Total net assets of governmental activities

\$ 4,144,697

The accompanying notes are an integral part of this statement.

**POINTE COUPEE PARISH LIBRARY
NEW ROADS, LOUISIANA
GOVERNMENTAL FUNDS**

**Statement of Revenues, Expenditures,
and Changes In Fund Balance
For the Year Ended December 31, 2010**

	GENERAL FUND	CAPITAL PROJECTS FUND	TOTAL GOVERNMENTAL FUNDS
REVENUES			
Ad valorem taxes	\$ 1,238,256	\$ 0	\$ 1,238,256
Intergovernmental revenues:			
State grants	15,216	56,278	71,494
State revenue sharing (net)	32,936	0	32,936
Interest earnings	29,206	0	29,206
Other revenues:			
Fees & charges for services	5,962	0	5,962
Fines & lost book collections	907	0	907
Gifts, donations, misc revenue	1,390	0	1,390
Total revenues	<u>1,323,873</u>	<u>56,278</u>	<u>1,380,151</u>
EXPENDITURES			
Salaries and related benefits	650,639	0	650,639
Legal & accounting	10,900	0	10,900
Insurance	27,163	0	27,163
Material and supplies	70,379	0	70,379
Repairs & maintenance	134,136	0	134,136
Utilities and communications	51,625	0	51,625
Capital outlay	112,967	58,847	171,814
Intergovernmental	52,170	0	52,170
Other operating services	39,083	0	39,083
Total expenditures	<u>1,149,062</u>	<u>58,847</u>	<u>1,207,909</u>
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	<u>174,811</u>	<u>(2,569)</u>	<u>172,242</u>
OTHER FINANCING SOURCES (USES)			
Operating transfers in	0	25,708	25,708
Operating transfers out	(25,708)	0	(25,708)
Total other financing sources (uses)	<u>(25,708)</u>	<u>25,708</u>	<u>0</u>
EXCESS (DEFICIENCY) OF REVENUES AND OTHER SOURCES OVER EXPENDITURES AND OTHER USES	149,103	23,139	172,242
FUND BALANCE AT BEGINNING OF YEAR	<u>2,384,310</u>	<u>0</u>	<u>2,384,310</u>
FUND BALANCE AT END OF YEAR	<u>\$ 2,533,413</u>	<u>\$ 23,139</u>	<u>\$ 2,556,552</u>

The accompanying notes are an integral part of this statement.

**POINTE COUPEE PARISH LIBRARY
NEW ROADS, LOUISIANA**

**Reconciliation of the Statement of Revenues, Expenditures, and
Changes in Fund Balances of Governmental Funds to the Statement of Activities**

For the Year Ended December 31, 2010

Net change in fund balances - total governmental funds	\$ 172,242
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Amounts reported for governmental activities in the statement of activities are different because:

Governmental funds report capital outlays as expenditures. However, in the statement of activities the cost of those assets is allocated over their estimated useful lives and reported as depreciation expense. This is the amount which depreciation exceeded capital outlays in the current period.

Depreciation expense	(227,474)
Capital outlays	171,813

Some expenses reported in the statement of activities do not require the use of current financial resources and, therefore, are not reported as expenditures in the governmental funds.

(Increase) decrease in other post-employment benefits	<u>2,568</u>
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Change in net assets of governmental activities	<u>\$ 119,149</u>
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The accompanying notes are an integral part of this statement.

**POINTE COUPEE PARISH LIBRARY
NEW ROADS, LOUISIANA
NOTES TO THE FINANCIAL STATEMENTS
As of and For the Year Ending December 31, 2010**

INTRODUCTION

The Pointe Coupee Parish Library, New Roads, Louisiana was established by the parish governing authority, under the provisions of Louisiana Revised Statute 25:211. Louisiana Revised Statute 25:214 provides for public governance through a library board of control. The Pointe Coupee Parish Police Jury appoints the board of control, which consists of seven non-compensated board members. The mission of the Pointe Coupee Parish Library is to provide resources and services to fulfill individual informational needs for day-to-day living and pleasure, and for cultural, educational, and leisurely pursuits. The library serves the entire parish of Pointe Coupee, consisting roughly of 22,802 residents. The library employs approximately 14 workers located at their main branch in New Roads and outlying branches in Morganza, Innis, Livonia, and Rougon, Louisiana.

I. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

A. BASIS OF PRESENTATION

The accompanying financial statements of the Pointe Coupee Parish Library have been prepared in conformity with governmental accounting principles generally accepted in the United States of America. The Governmental Accounting Standards Board (GASB) is the accepted standard-setting body for establishing governmental accounting and financial reporting principles. The accompanying financial statements have been prepared in conformity with GASB Statement 34, *Basic Financial Statements- and Management's Discussion and Analysis—for State and Local Governments*, issued in June 1999.

B. REPORTING ENTITY

The library does not possess all the corporate powers necessary to make it a legally separate entity from the Pointe Coupee Parish Police Jury, which holds the library's corporate powers. For this reason, the library is a component unit of the Pointe Coupee Parish Police Jury, the financial reporting entity.

The accompanying financial statements present information only on the funds maintained by the library and do not present information on the police jury, the general government services provided by that governmental unit, or the other governmental units that comprise the financial reporting entity.

C. FUND ACCOUNTING

The library uses funds to maintain its financial records during the year. Fund accounting is designed to demonstrate legal compliance and to aid management by segregating transactions related to certain library functions and activities. A fund is defined as a separate fiscal and accounting entity with a self-balancing set of accounts.

Governmental Funds

Governmental funds account for all or most of the library's general activities. These funds focus on the sources, uses, and balances of current financial resources. Expendable assets are assigned to the various governmental funds according to the purposes for which they may be used. Current liabilities are assigned to the fund from which they will be paid. The difference between a governmental fund's assets and liabilities is reported as fund balance. In general, fund balance represents the accumulated expendable resources which may be used to finance future period programs or operations of the library. The following are the library's governmental funds:

General Fund – the primary operating fund of the library and it accounts for all financial resources, except those required to be accounted for in other funds. The General Fund is available for any purpose provided it is expended or transferred in accordance with state and federal laws and according to library policy.

Capital Projects Fund – accounts for financial resources received and used for the acquisition, construction, or improvement of capital facilities not reported in other governmental funds.

**POINTE COUPEE PARISH LIBRARY
NEW ROADS, LOUISIANA
NOTES TO THE FINANCIAL STATEMENTS**

D. MEASUREMENT FOCUS/BASIS OF ACCOUNTING

Government-Wide Financial Statements (GWFS)

The Statement of Net Assets and the Statement of Activities display information about the library as a whole. These statements include all the financial activities of the library. Information contained in these statements reflects the economic resources measurement focus and the accrual basis of accounting. Revenues, expenses, gains, losses, assets, and liabilities resulting from exchange or exchange-like transactions are recognized when the exchange occurs (regardless of when cash is received or disbursed). Revenues, expenses, gains, losses, assets, and liabilities resulting from nonexchange transactions are recognized in accordance with the requirements of GASB Statement No. 33, *Accounting and Financial Reporting for Nonexchange Transactions*.

Program Revenues – Program revenues included in the Statement of Activities are derived directly from users as a fee for services; program revenues reduce the cost of the function to be financed from the library's general revenues.

Fund Financial Statements (FFS)

The amounts reflected in the General Fund of the Balance Sheet and Statement of Revenues, Expenditures, and Changes in Fund Balance are accounted for using a current financial resources measurement focus. With this measurement focus, only current assets and current liabilities are generally included on the balance sheet. The statement of revenues, expenditures, and changes in fund balances reports on the sources (i.e., revenues and other financing sources) and uses (i.e., expenditures and other financing uses) of current financial resources. This approach is then reconciled, through adjustment, to a government-wide view of the library's operations (See the reconciliation statements).

The amounts reflected in the General Fund in the FFS use the modified accrual basis of accounting. Under the modified accrual basis of accounting, revenues are recognized when susceptible to accrual (i.e., when they become both measurable and available). Measurable means the amount of the transaction can be determined and available means collectible within the current period or soon enough thereafter to pay liabilities of the current period. The library considers all revenues available if they are collected within 60 days after the fiscal year end. Expenditures are recorded when the related fund liability is incurred, except for interest and principal payments on general long-term debt which is recognized when due, and certain compensated absences and claims and judgments which are recognized when the obligations are expected to be liquidated with expendable available financial resources. The governmental funds use the following practices in recording revenues and expenditures:

Revenues -

Ad valorem taxes and the related state revenue sharing (which is based on population and homesteads in the parish) are recorded in the year the taxes are assessed. Ad valorem taxes are assessed on a calendar year basis, become due on November 15 of each year and become delinquent on December 31. Taxes are generally collected in December of the current year and January and February of the following year.

Where grant revenue is dependent upon expenditures by the Library, revenue is recognized when the related expenditures are incurred.

Interest income on time deposits (certificates of deposits) is recorded when earned.

Substantially all other revenues are recorded when received.

Expenditures –

Expenditures are generally recognized under the modified accrual basis of accounting when the related fund liability is incurred except for accumulated vacation leave, which is not accrued.

**POINTE COUPEE PARISH LIBRARY
NEW ROADS, LOUISIANA
NOTES TO THE FINANCIAL STATEMENTS**

Other Financing Sources (Uses)

The sale of fixed assets as well as transfers between funds, which are not expected to be repaid, are accounted for as other financing sources (uses) and are recorded when incurred.

E. BUDGETS

The library adopts an annual appropriated budget for the General Fund. All annual appropriations lapse at fiscal year-end. The budget is prepared based on the modified accrual basis of accounting and is presented and adopted by the Board of Control. The proposed budget was published and made available for public inspection on October 15, 2009, in accordance with RS39:1306. The public hearing was held at the library's main office in New Roads, La. on November 11, 2009, at which time the Board of Control formally adopted it. The Board of Control has the authority to make changes or amendments within various budget classifications. The current year's budget was amended as reflected in the budgetary comparison schedule.

Formal budgetary integration is not employed for the Capital Projects Fund due to its limited size.

F. ENCUMBRANCES

The library does not use encumbrance accounting.

G. CASH AND CASH EQUIVALENTS

Cash includes amounts in demand deposits, interest-bearing demand deposits, and time deposits. Cash equivalents include amounts in time deposits and those investments with original maturities of 90 days or less. Under state law, the library may deposit funds in demand deposits, interest-bearing demand deposits, or time deposits with state banks organized under Louisiana law or any other state of the United States, or under the laws of the United States.

H. INVESTMENTS

Investments are limited by Louisiana Revised Statute (R.S.) 33:2955 and the library's investment policy. If the original maturities of investments exceed 90 days, they are classified as investments; however, if the original maturities are 90 days or less, they are classified as cash equivalents.

GASB Statement No. 31 allows the library to report at amortized cost money market investments and participating interest-earning investment contracts that have a remaining maturity at time of purchase of one year or less, provided that the fair value of those investments is not significantly affected by the impairment of the credit standing of the issuer or by other factors. Money market investments are short term, highly liquid debt instruments that include U.S. Treasury obligations. Interest-earning investment contracts include time deposits with financial institutions (such as certificates of deposit), repurchase agreements, and guaranteed investment contracts. Investments listed in the balance sheet are stated at fair value which approximates cost.

I. CAPITAL ASSETS

Capital assets are capitalized at historical cost or estimated historical cost if historical cost is not available. Donated assets are recorded as capital assets at their estimated fair market value at the date of donation. The library maintains a threshold level of \$500 or more for capitalizing capital assets.

Capital assets are recorded in the Statement of Net Assets and Statement of Activities. Since surplus assets are sold for an immaterial amount when declared as no longer needed for public purposes, no salvage value is taken into consideration for depreciation purposes. All capital assets, other than land, are depreciated using the straight-line method over the following useful lives:

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Land Improvements	20 years
Buildings & Improvements	10 – 40 years
Equipment & furniture	5 years
Vehicles	5 – 10 years
Library collection	5 – 7 years

J. BAD DEBTS

Uncollectible amounts due for ad valorem taxes are recognized as bad debts at the time information becomes available which would indicate the uncollectibility of the particular receivable.

K. OTHER POSTEMPLOYMENT BENEFITS

In November 2004, the GASB issued Statement No. 45 "Accounting and Financial Reporting by Employers for Postemployment Benefits Other than Pensions." This statement requires the accrual of other postemployment benefits for retired employees. The library has recorded an asset (liability) for other postemployment benefits as of December 31, 2010.

In the government-wide financial statements, the other postemployment benefits asset (liability) is recorded as an expense and non-current asset (liability) and allocated on a functional basis. In the fund financial statements, other postemployment benefit expenditures are recognized in the amount contributed to the plan or expected to be liquidated with expendable available financial resources. Expendable available financial resources generally refer to other postemployment benefit payments due and payable as of the end of the year.

L. COMPENSATED ABSENCES

The library has the following policy relating to vacation and sick leave:

The Library Director earns the following vacation:

<u>Years of Service</u>	<u>Vacation</u>
1 year	10 days per year
2 years	15 days per year
3 or more years	20 days per year

Full-time Professional staff earns the following vacation:

<u>Years of Service</u>	<u>Vacation</u>
1 year	10 days per year payable after six months
Each succeeding year of service after 10 years	10 days plus one additional day per year up to 20 days

Full-time library employees earn the following vacation:

<u>Years of Service</u>	<u>Vacation</u>
1 - 10	10 days per year
11 or more	15 days per year

Employees may not accumulate vacation time. Vacation time should be used during the calendar year in which it is granted. If this is impossible or creates an undue hardship on the employee or the library, the Director may grant permission to use the unused vacation in the first quarter of the next year. Any unused vacation is forfeited after this fifteen-month period. Any employee resigning or retiring will be paid for any unused vacation, which was granted in that same calendar year. The liability

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for compensated absences at December 31, 2010 was \$0.

All full-time employees earn 12 days of sick leave and 3 days of emergency leave per year after six months of continuous service. Sick leave may be accumulated up to a maximum of 90 days for retirement purposes only. Emergency leave does not accumulate. Employees are not compensated for accrued sick leave upon retirement or termination of employment.

M. RESTRICTED NET ASSETS

For government-wide statement of net assets, net assets are reported as restricted when constraints placed on net asset use are either:

- 1) externally imposed by creditors (such as debt covenants), grantors, contributors, or laws or regulations of other governments; and
- 2) imposed by law through constitutional provisions or enabling legislation.

N. FUND EQUITY

In the fund financial statements, governmental funds report reservations of fund balance for amounts that are not available for appropriation or are legally restricted by outside parties for use for a specific purpose. Any designations of fund balance represent tentative management plans that are subject to change.

In February 2009, the GASB issued Statement No. 54 "Fund Balance Reporting and Governmental Fund Type Definitions." This statement establishes criteria for classifying fund balances into specifically defined classifications and clarifies definitions for governmental fund types. The library is required to implement this standard for the fiscal year ending December 31, 2011. The library has not yet determined the full impact that adoption of GASB Statement No. 54 will have on the financial statements.

O. USE OF ESTIMATES

The preparation of financial statements in conformity with U.S. generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates.

2. EXCESS OF EXPENDITURES OVER APPROPRIATIONS

The following individual funds had actual expenditures over budgeted appropriations for the year ended December 31, 2010:

<u>Fund</u>	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Unfavorable Variance</u>
None				

3. LEVIED TAXES

The following is a summary of authorized and levied ad valorem taxes:

	<u>Maximum Millage</u>	<u>Authorized Millage</u>	<u>Levied Millage</u>
Library Maintenance Tax	3.60	3.60	3.50

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The following are the principal taxpayers for the parish:

<u>Taxpayer</u>	<u>Type of Business</u>	<u>Assessed Valuation</u>	<u>% of Total Valuation</u>	<u>Ad Valorem Tax Revenue for Library</u>
LA Generating, LLC	Electric	\$ 104,303,641	27.53%	\$ 375,493
Entergy Gulf States	Electric	40,678,220	10.74%	146,442
BP America	Oil & Gas	23,111,400	6.10%	83,201
American Comm. Lines	Transport	18,371,860	4.85%	66,139
Pennington	Oil & Gas	7,990,700	2.11%	28,766
Nan Ya Plastics	Manufacturing	7,878,180	2.08%	28,361
Union Pacific Corp.	Railroad	7,016,020	1.85%	25,258
Total		<u>\$ 209,350,021</u>	<u>55.26%</u>	<u>\$ 753,660</u>

4. DEPOSITS AND INVESTMENTS

A. Cash and Cash Equivalents

Cash and Cash equivalents include bank accounts and short-term investments. See Note 1(G) for additional cash disclosure note information.

Custodial Credit Risk – Deposits

Custodial credit risk is the risk that in the event of a bank failure the Library's deposits may not be returned. Deposits are exposed to custodial credit risk if they are either (a) uninsured and uncollateralized, or (b) uninsured and collateralized with securities held by the pledging financial institution or its trust department/agent but not in the name of the Library. The Library's cash and investment policy, as well as state law, require that deposits be fully secured by federal deposit insurance or the pledge of securities owned by the bank. The fair value of the pledged securities plus the federal deposit insurance must at all times equal or exceed the amount on deposit with the bank. The following chart represents bank balances for the Library as of December 31, 2010. Deposits are listed in terms of whether they are exposed to custodial credit risk.

<u>Bank Balances</u>				
	<u>Uninsured & Uncollateralized</u>	<u>Uninsured & Collateralized with Securities held by Pledging Institution or It's Trust Department/Agent But Not in the Entity's Name</u>	<u>Total Bank Balances – All Deposits</u>	<u>Total Carrying Value – All Deposits</u>
Cash and Cash Equivalents	\$ -	\$ -	\$ 791,741	\$ 733,168

Total bank balances and total carrying amount of deposits do not include petty cash in the amount of \$200 on hand at year end.

B. Investments

Investments are stated at fair value. See also Note 1 (H) for additional investment disclosure information.

Credit Risk - Investments

Investments permitted by state statute include obligations issued, insured or guaranteed by the U.S. government including certificates

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or other ownership interest in such obligations and/or investments in registered mutual or trust funds consisting solely of U.S. government securities. The Library's investment program is limited to purchases of bank certificate of deposits, U.S. treasury and government agency obligations as well as investments in the Louisiana Asset Management Pool, Inc. (LAMP). LAMP is a nonprofit corporation formed by an initiative of the State Treasurer, and organized under the laws of the State of Louisiana which operates a local government investment pool. It is the Library's opinion that since these securities are governmental agencies, credit risk is not a factor.

Custodial Credit Risk - Investments

Custodial credit risk for investments is the risk that in the event of the failure of the counterparty to a transaction, the Library will not be able to recover the value of the investment. Investments are exposed to custodial risk if the securities are (a) uninsured and unregistered and held by the counterparty or (b) uninsured, unregistered and held by the counterparty's trust department or agent but not in the name of the Library. The following chart presents the investment position of the Library as of December 31, 2010. The various types of investments are listed and presented by whether they are exposed to custodial credit risk.

<u>Investments</u>				
	Uninsured, Unregistered, and Held by the Counterparty	Uninsured, Unregistered, and Held by the Counterparty's Trust Department/Agent But not in the Entity's Name	All Investments - Reported Amount	All Investments - Fair Value
Certificates of Deposit	\$ -	\$ -	\$ 674,144	\$ 674,144
Total	\$ -	\$ -	\$ 674,144	\$ 674,144

Interest Rate Risk - Investments

Interest rate risk is defined as the risk that changes in interest rates will adversely affect the fair value of investments. Investments can be highly sensitive to changes in interest rates due to their terms or characteristics. The Library's investment policy with regards to interest rate risk is to match cash flow requirements with cash flows from investments. This matching allows for securities to be held to maturity thereby avoiding realizing losses due to liquidation of securities prior to maturity, especially in a rising interest rate environment. Investing in longer term maturities that contain a "step up" in coupon interest rates will also contribute to the reduction of interest rate risk. Investments classified by maturity dates at December 31, 2010 are summarized below:

<u>Investment</u>	<u>Fair Value</u>	<u>0-1 Years Before Maturity</u>	<u>1-5 Years Before Maturity</u>	<u>6 + Years Before Maturity</u>
Certificates of Deposit	\$ 674,144	\$ -	\$ 674,144	\$ -
Total	\$ 674,144	\$ -	\$ 674,144	\$ -

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5. RECEIVABLES

The following is a summary of receivables at December 31, 2010:

<u>Class of Receivable</u>	<u>General Fund</u>	<u>Capital Projects Fund</u>	<u>Total</u>
Ad Valorem Taxes	\$ 1,224,750	\$ -	\$ 1,224,750
Accrued Interest Receivable	4,636	-	4,636
Other	390	23,139	23,529
Total	\$ 1,229,776	\$ 23,139	\$ 1,252,915

6. CAPITAL ASSETS

Capital assets and depreciation activity as of and for the year ended December 31, 2010 are as follows:

	<u>Land, Bldgs & Improvements</u>	<u>Library Collection</u>	<u>Furniture & Equipment</u>	<u>Automobiles</u>	<u>Total</u>
Cost of capital assets, December 31, 2009	\$ 1,371,119	\$ 2,562,733	\$ 480,752	\$ 25,169	\$ 4,439,773
Additions	58,847	107,968	4,998	-0-	171,813
Deletions	-0-	7,100	-0-	-0-	7,100
Cost of capital assets, December 31, 2010	<u>1,429,966</u>	<u>2,663,601</u>	<u>485,750</u>	<u>25,169</u>	<u>4,604,486</u>
Accumulated depreciation, December 31, 2009	466,912	1,917,220	398,958	18,457	2,801,547
Additions	34,171	161,462	26,807	5,034	227,474
Deletions	-0-	7,100	-0-	-0-	7,100
Accumulated depreciation, December 31, 2010	<u>501,083</u>	<u>2,071,582</u>	<u>425,765</u>	<u>23,491</u>	<u>3,021,921</u>
Capital assets net of Accumulated depreciation, At December 31, 2010	<u>\$ 928,883</u>	<u>\$ 592,019</u>	<u>\$ 59,985</u>	<u>\$ 1,678</u>	<u>\$ 1,582,565</u>

Depreciation expense of \$227,474 for the year ended December 31, 2010, was charged to the general fund governmental function.

The Pointe Coupee Parish Library has not capitalized a certain collection (The Claiborne Collection) and a historical treasure (Mardi Gras Costume) due to the fact that they are held for public exhibition rather than financial gain, they are protected, cared for, and preserved, and that it is the policy of the library that, if they are ever sold, proceeds from the sale must be used to acquire other items for collections.

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7. ACCOUNTS, SALARIES, AND OTHER PAYABLES

The payables of \$103,875 as of December 31, 2010, are as follows:

	General Fund	Capital Projects Fund	Total
Withholdings	\$ 21,961	\$ -	\$ 21,961
Accounts	29,744	-	29,744
Other	52,170	-	52,170
Total	\$ 103,875	\$ -	\$ 103,875

8. PENSION PLAN

Plan Description. Substantially all employees of the Pointe Coupee Parish Library are members of the Parochial Employees' Retirement System of Louisiana (System), a cost-sharing, multiple-employer defined benefit pension plan administered by a separate board of trustees. The System is composed of two distinct plans, Plan A and Plan B, with separate assets and benefit provisions. All employees of the library are members of Plan A.

All full time employees working at least 28 hours per week whom are paid wholly or in part from Parish funds and all elected parish officials are eligible to participate in the System. Under Plan A, employees who retire at or after age 65 with at least 7 years of creditable service, at or after age 60 with at least 10 years of creditable service, at or after age 55 with at least 25 years of creditable service, or at any age with at least 30 years of creditable service are entitled to a retirement benefit, payable monthly for life, equal to 3 percent of their final-average salary for each year of creditable service. For employees hired after 1/1/07, eligibility provisions are age 67 with at least 7 years of creditable service, age 62 with at least 10 years of creditable service, or age 55 with at least 30 years of creditable service. However, for those employees who are members of the supplemental plan only before January 1, 1980, the benefit is equal to one percent of final average salary plus \$24 for each year of supplemental-plan-only service earned before January 1, 1980. Final-average salary is the employee's average salary over the 36 consecutive or joined months (60 if hired after 1/1/07) that produce the highest average. Employees who terminate with at least the amount of creditable service stated above and do not withdraw their employee contributions may retire at the ages specified above and receive the benefit accrued to their date of termination. The System also provides death and disability benefits. Benefits are established or amended by state statute.

The System issues an annual publicly available financial report that includes financial statements and required supplementary information for the System. That report may be obtained by writing to the Parochial Employees' Retirement System of Louisiana, P. O. Box 14619, Baton Rouge, Louisiana 70898-4619, or by calling (225) 928-1361.

Funding Policy. Under Plan A, members are required by state statute to contribute 9.5 percent of their annual covered salary and the Library is required to contribute at an actuarially determined rate. The current rate is 15.75 percent of annual covered payroll. Contributions to the System also include one-fourth of one percent (except Orleans and East Baton Rouge parishes) of the taxes shown to be collectible by the tax rolls of each parish. These tax dollars are divided between Plan A and Plan B based proportionately on the salaries of the active members of each plan. The contribution requirements of plan members and the Library are established and may be amended by state statute. As provided by R.S. 11:103, the employer contributions are determined by actuarial valuation and are subject to change each year based on the results of the valuation for the prior fiscal year. The Library's contributions to the System under Plan A for the years ending December 31, 2010, 2009, and 2008 were \$52,085, \$37,921, and \$42,950, respectively, equal to the required contributions for each year.

9. OTHER POSTEMPLOYMENT BENEFITS

Plan Description. The Pointe Coupee Parish Library's medical benefits are provided through a comprehensive medical plan and are made available to employees upon actual retirement.

Employees are covered by the Parochial Employees' Retirement System of Louisiana, whose retirement eligibility (D.R.O.P.

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entry) provisions are as follows: 30 years of service at any age; age 55 and 25 years of service; age 60 and 10 years of service; or, age 65 and 7 years of service. For employees hired on and after January 1, 2007, retirement eligibility (D.R.O.P. entry) provisions are as follows: age 55 and 30 years of service; age 62 and 10 years of service; or, age 67 and 7 years of service. Complete plan provisions are included in the official plan documents.

Contribution Rates. Employees do not contribute to their post employment benefits costs until they become retirees and begin receiving those benefits. The plan provisions and contribution rates are contained in the official plan documents.

Fund Policy. Until Fiscal Year Ending December 31, 2008, the Pointe Coupee Parish Library recognized the cost of providing post-employment medical benefits (the Pointe Coupee Parish Library's portion of the retiree medical benefit premiums) as an expense when the benefit premiums were due and thus financed the cost of the post-employment benefits on a pay-as-you-go basis. Effective with the Fiscal Year beginning January 1, 2009, the Pointe Coupee Parish Library implemented GASB Statement Number 45, *Accounting and Financial Reporting by Employers for Post employment Benefits Other than Pensions* (GASB 45). The funding policy is not to fund the ARC except to the extent of the current year's retiree funding costs.

In Fiscal Year Ending December 31, 2010, the Pointe Coupee Parish Library's portion of health care funding cost for retired employees totaled \$12,770. These amounts were applied toward the Net OPEB Obligation as shown in the table at the bottom of this page.

Annual Required Contribution. The Pointe Coupee Parish Library's Annual Required Contribution (ARC) is an amount actuarially determined in accordance with GASB 45. The Annual Required Contribution (ARC) is the sum of the Normal Cost plus the contribution to amortize the Actuarial Accrued Liability (AAL). A level dollar, open amortization period of 30 years (the maximum amortization period allowed by GASB 43/45) has been used for the post-employment benefits. The total ARC for the fiscal year beginning January 1, 2010 is \$10,148, as set forth below:

	Medical
Normal Cost	\$ 3,329
30-year UAL amortization amount	6,819
Annual required contribution (ARC)	\$ 10,148

Net Post-employment Benefit Obligation (Asset). The table below shows the Pointe Coupee Parish Library's Net Other Post-employment Benefit (OPEB) Obligation (Asset) for fiscal year ending December 31, 2010:

	Medical
Beginning Net OPEB Obligation (Asset) 1/1/2010	\$(3,012)
Annual required contribution	10,148
Interest on Net OPEB Obligation (Asset)	(120)
ARC Adjustment	(174)
OPEB Cost	10,202
Contribution	-0-
Current year retiree premium	(12,770)
Change in Net OPEB Obligation	(2,568)
Ending Net OPEB Obligation (Asset) 12/31/2010	\$(5,580)

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The following table shows the Pointe Coupee Parish Library's annual post employment benefits (PEB) cost, percentage of the cost contributed, and the net unfunded post employment benefits (PEB) liability (asset):

<u>Post Employment Benefit</u>	<u>Fiscal Year Ended</u>	<u>Annual OPEB Cost</u>	<u>Percentage of Annual Cost Contributed</u>	<u>Net OPEB Obligation (Asset)</u>
Medical	December 31, 2010	\$10,202	125.17%	\$(5,580)

Funded Status and Funding Progress. In the fiscal year ending December 31, 2010, the Pointe Coupee Parish Library made no contributions to its post employment benefits plan. The plan was not funded at all, has no assets, and hence has a funded ratio of zero. As of December 31, 2010, the end of the fiscal year, the Actuarial Accrued Liability (AAL) was \$117,925, which is defined as that portion, as determined by a particular actuarial cost method (the Pointe Coupee Parish Library uses the Projected Unit Credit Cost Method), of the actuarial present value of post employment plan benefits and expenses which is not provided by normal cost. Since the plan was not funded in fiscal year 2010, the entire actuarial accrued liability of \$117,925 was unfunded.

Actuarial Accrued Liability (AAL)	\$ 117,925
Actuarial Value of Plan Assets	-0-
Unfunded Act. Accrued Liability (UAAL)	<u>117,925</u>
Funded Ratio (Act. Val. Assets/AAL)	0%
 Covered Payroll (active plan members)	 336,886
UAAL as a percentage of covered payroll	35.00%

Actuarial Methods and Assumptions. Actuarial valuations involve estimates of the value of reported amounts and assumptions about the probability of events far into the future. The actuarial valuation for post employment benefits includes estimates and assumptions regarding (1) turnover rate; (2) retirement rate; (3) health care cost trend rate; (4) mortality rate; (5) discount rate (investment return assumption); and (6) the period to which the costs apply (past, current, or future years of service by employees). Actuarially determined amounts are subject to continual revision as actual results are compared to past expectations and new estimates are made about the future.

The actuarial calculations are based on the types of benefits provided under the terms of the substantive plan (the plan as understood by the Pointe Coupee Parish Library and its employee plan members) at the time of the valuation and on the pattern of sharing costs between the Pointe Coupee Parish Library and its plan members to that point. The projection of benefits for financial reporting purposes does not explicitly incorporate the potential effects of legal or contractual funding limitations on the pattern of cost sharing between the Pointe Coupee Parish Library and plan members in the future. Consistent with the long-term perspective of actuarial calculations, the actuarial methods and assumptions used include techniques that are designed to reduce short-term volatility in actuarial liabilities and the actuarial value of assets.

Actuarial Cost Method. The ARC is determined using the Projected Unit Credit Cost Method. The employer portion of the cost for retiree medical care in each future year is determined by projecting the current cost levels using the healthcare cost trend rate and discounting this projected amount to the valuation date using the other described pertinent actuarial assumptions, including the investment return assumption (discount rate), mortality, and turnover.

Actuarial Value of Plan Assets. Since the OPEB obligation has not yet been funded, there are not any assets. It is anticipated that in future valuations, should funding take place, a smoothed market value consistent with Actuarial Standards Board Actuarial Standards of Practice Number (ASOP 6), as provided in paragraph number 125 of GASB Statement 45.

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NEW ROADS, LOUISIANA
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Turnover Rate. An age-related turnover scale based on actual experience as described by administrative staff has been used. The rates, when applied to the active employee census, produce an annual turnover of approximately 10%. The rates for each age are below:

<u>Age</u>	<u>Percent Turnover</u>
18 - 25	20.0%
26 - 40	12.0%
41 - 54	8.0%
55+	6.0%

We have also assumed that 50% of retirees decline coverage because of the required retiree premiums.

Post employment Benefit Plan Eligibility Requirements. Based on past experience, it has been assumed that entitlement to benefits will commence six years after eligibility to enter the D.R.O.P., as described above under "Plan Description". The six years represents three years in the D.R.O.P. plus an additional three years. Medical benefits are provided to employees upon actual retirement. Employees are covered by the Parochial Employees' Retirement System of Louisiana, whose retirement eligibility (D.R.O.P. entry) provisions are as follows: 30 years of service at any age; age 55 and 25 years of service; age 60 and 10 years of service; or, age 65 and 7 years of service. For employees hired on and after January 1, 2007, retirement eligibility (D.R.O.P. entry) provisions are as follows: age 55 and 30 years of service; age 62 and 10 years of service; or, age 67 and 7 years of service. Entitlement to benefits continues through Medicare to death.

Investment Return Assumption (Discount Rate). GASB Statement 45 states that the investment return assumption should be the estimated long-term investment yield on the investments that are expected to be used to finance the payment of benefits. Since the ARC is not currently being funded and not expected to be funded in the near future, we have performed this valuation using a 4% annual investment return assumption.

Health Care Cost Trend Rate. The expected rate of increase in medical cost is based on projections performed by the Office of the Actuary at the Centers for Medicare & Medicaid Services as published in National Health Care Expenditures Projections: 2003 to 2013, Table 3: National Health Expenditures, Aggregate and per Capita Amounts, Percent Distribution and Average Annual Percent Change by Source of Funds: Selected Calendar Years 1990-2013, released in January, 2004 by the Health Care Financing Administration (www.cms.hhs.gov). "State and Local" rates for 2008 through 2013 from this report were used, with rates beyond 2013 graduated down to an ultimate annual rate of 5.0% for 2016 and later.

Mortality Rate. The 1994 Group Annuity Reserving (94GAR) table, projected to 2002, based on a fixed blend of 50% of the unloaded male mortality rate and 50% of the unloaded female mortality rates, was used. This is a published mortality table which was designed to be used in determining the value of accrued benefits in defined benefit pension plans.

Method of Determining Value of Benefits. The "value of benefits" has been assumed to be the portion of the premium after retirement date expected to be paid by the employer for each retiree and has been used as the basis for calculating the actuarial present value of OPEB benefits to be paid. The employer pays 50% of the cost of the medical insurance for the retirees and dependents until Medicare eligibility at age 65 (until death if the retiree had at least 30 years of service at retirement). We have used the unblended rates provided as mandated by GASB 45.

10. LITIGATION

There is no litigation pending against the library. There were no claims or litigation costs incurred for the year ended December 31, 2010.

11. RISK MANAGEMENT

The Pointe Coupee Parish Library is exposed to various risks of loss including injuries to workers, criminal or property damage, theft and other possible related claims. The library purchases commercial insurance to minimize this risk of loss from these types of occurrences. There were no significant reductions in insurance coverage from the prior year.

**POINTE COUPEE PARISH LIBRARY
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NOTES TO THE FINANCIAL STATEMENTS**

12. INTERFUND TRANSFERS

The following interfund transfers were incurred during the year ended December 31, 2010:

<u>Fund</u>	<u>Transfer In From</u>	<u>Transfer Out To</u>
General Fund - Capital Projects Fund	\$ -0-	\$ 25,708
Capital Projects Fund - General Fund	25,708	-0-
Total	<u>\$ 25,708</u>	<u>\$ 25,708</u>

Transfers to the capital projects fund were for temporary funds until the state funding was received on expenditures related to the planning and construction of a new library building in Innis.

13. COMPENSATION PAID TO BOARD MEMBERS

No compensation was paid to board members during the year ended December 31, 2010. The following is a list of board members and term expiration dates:

<u>Board Member</u>	<u>Term Expires</u>
Lauren Meadows	December 2012
Mary Helen McCoy	December 2013
Philomena Fontenot	December 2014
Wylene Hurst	December 2015
Grace Hebert	December 2014
Gayle Dixon	December 2011
Lucy Boley Thompson	December 2011

14. SUBSEQUENT EVENTS

Management has performed an evaluation of the library's activities through May 23, 2011, and has concluded that there are no significant subsequent events requiring recognition or disclosure through the date and time these financial statements were available to be issued on May 23, 2011.

REQUIRED SUPPLEMENTARY INFORMATION

**POINTE COUPEE PARISH LIBRARY
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GENERAL FUND**

**BUDGETARY COMPARISON SCHEDULE
For the Year Ended December 31, 2010**

	BUDGETED AMOUNTS		ACTUAL	VARIANCE WITH FINAL BUDGET FAVORABLE (UNFAVORABLE)
	ORIGINAL	FINAL		
REVENUES				
Ad valorem taxes	\$ 1,086,213	\$ 972,140	\$ 1,238,256	\$ 266,116
Intergovernmental revenues:				
State grants	13,000	13,000	15,216	2,216
State revenue sharing	34,000	34,000	32,936	(1,064)
Interest earnings	25,000	25,000	29,206	4,206
Other revenues:				
Fees & charges for services	4,000	4,000	5,962	1,962
Fines & lost book collections	1,500	1,500	907	(593)
Gifts, donations, misc revenue	500	500	1,390	890
Total revenues	<u>1,164,213</u>	<u>1,050,140</u>	<u>1,323,873</u>	<u>273,733</u>
EXPENDITURES				
Salaries and related benefits	700,637	746,726	650,639	96,087
Legal & accounting	15,000	15,000	10,900	4,100
Insurance	17,000	17,000	27,163	(10,163)
Material and supplies	68,900	68,105	70,379	(2,274)
Repairs & maintenance	92,000	134,900	134,136	764
Utilities and communications	62,450	120,250	51,625	68,625
Capital outlay	133,000	151,155	112,967	38,188
Intergovernmental	45,000	50,000	52,170	(2,170)
Other operating services	39,500	35,850	39,083	(3,233)
Total expenditures	<u>1,173,487</u>	<u>1,338,986</u>	<u>1,149,062</u>	<u>189,924</u>
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	(9,274)	(288,846)	174,811	463,657
OTHER FINANCING SOURCES (USES)				
Operating transfers out	0	0	(25,708)	(25,708)
Total other financing sources (uses)	<u>0</u>	<u>0</u>	<u>(25,708)</u>	<u>(25,708)</u>
EXCESS (DEFICIENCY) OF REVENUES AND OTHER SOURCES OVER EXPENDITURES AND OTHER USES	(9,274)	(288,846)	149,103	437,949
FUND BALANCE AT BEGINNING OF YEAR	<u>9,274</u>	<u>288,846</u>	<u>2,384,310</u>	<u>2,095,464</u>
FUND BALANCE AT END OF YEAR	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 2,533,413</u>	<u>\$ 2,533,413</u>

**POINTE COUPEE PARISH LIBRARY
NEW ROADS, LOUISIANA**

**EMPLOYEE HEALTH CARE PLAN
DECEMBER 31, 2010**

Schedule of Funding Progress

<u>Actuarial Valuation Date</u>	<u>Actuarial Value of Assets</u>	<u>Actuarial Accrued Liability (AAL)</u>	<u>Unfunded Actuarial Accrued Liability (UAAL)</u>	<u>Funded Ratio</u>	<u>Covered Payroll</u>	<u>UAAL as a Percentage of Covered Payroll</u>
January 1, 2009	\$0	\$113,389	\$113,389	0%	\$302,082	37.5%
December 31, 2010	\$0	\$117,925	\$117,925	0%	\$336,886	35.0%

SUPPLEMENTAL INFORMATION

**POINTE COUPEE PARISH LIBRARY
NEW ROADS, LOUISIANA**

**BUDGETARY COMPARISON SCHEDULE
Schedule of Expenditures
For the Year Ended December 31, 2010**

	BUDGETED AMOUNTS		ACTUAL	VARIANCE WITH FINAL BUDGET FAVORABLE (UNFAVORABLE)
	ORIGINAL	FINAL		
Salaries and related benefits -				
Salaries and wages	\$ 540,940	\$ 540,940	\$ 502,762	\$ 38,178
Employee benefits:				
Retirement contributions	59,500	84,000	52,085	31,915
Group insurance	94,500	104,275	78,378	25,897
Payroll taxes	5,697	17,511	17,414	97
Total salaries & related benefits	\$ 700,637	\$ 746,726	\$ 650,639	\$ 96,087
Materials and supplies -				
Rentals - other	\$ 32,000	\$ 20,000	\$ 28,192	\$ (8,192)
Materials & supplies	36,900	48,105	42,187	5,918
Total materials & supplies	\$ 68,900	\$ 68,105	\$ 70,379	\$ (2,274)
Operating services -				
Legal and accounting	\$ 15,000	\$ 15,000	\$ 10,900	\$ 4,100
Insurance	17,000	17,000	27,163	(10,163)
Repairs and maintenance	92,000	134,900	134,136	764
Utilities and telephone	62,450	120,250	51,625	68,625
Travel, dues, other prof services	39,500	35,850	39,083	(3,233)
Intergovernmental	45,000	50,000	52,170	(2,170)
Total operating services	\$ 270,950	\$ 373,000	\$ 315,077	\$ 57,923
Capital outlay -				
Acquisition of building, fixtures, & equip	\$ 0	\$ 15,655	\$ 4,998	\$ 10,657
Books, etc.	118,000	128,000	101,213	26,787
Audio & visuals	15,000	7,500	6,756	744
Total capital outlay	\$ 133,000	\$ 151,155	\$ 112,967	\$ 38,188

MAJOR, MORRISON & DAVID

CERTIFIED PUBLIC ACCOUNTANTS

JOHN L. MORRISON III, CPA, PC
MARK A. DAVID, CPA, PC

AMERICAN INSTITUTE OF
CERTIFIED PUBLIC ACCOUNTANTS
SOCIETY OF LOUISIANA
CERTIFIED PUBLIC ACCOUNTANTS

VAN P. MAJOR, CPA (1951-2005)

REPORT ON INTERNAL CONTROL OVER FINANCIAL REPORTING AND ON COMPLIANCE AND OTHER MATTERS BASED ON AN AUDIT OF FINANCIAL STATEMENTS PERFORMED IN ACCORDANCE WITH *GOVERNMENT AUDITING STANDARDS*

Board of Control
Pointe Coupee Parish Library
New Roads, Louisiana

We have audited the accompanying financial statements of the governmental activities and each major fund of the Pointe Coupee Parish Library, New Roads, Louisiana, a component unit of the Pointe Coupee Parish Police Jury, as of and for the year ended December 31, 2010, which collectively comprise the Library's basic financial statements and have issued our report thereon dated May 23, 2011. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States.

Internal Control Over Financial Reporting

In planning and performing our audit, we considered the Library's internal control over financial reporting as a basis for designing our auditing procedures for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the Library's internal control over financial reporting. Accordingly, we do not express an opinion on the effectiveness of the Pointe Coupee Parish Library's internal control over financial reporting.

A *deficiency in internal control* exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct misstatements on a timely basis. A *material weakness* is a deficiency, or combination of deficiencies, in internal control such that there is a reasonable possibility that a material misstatement of the entity's financial statements will not be prevented, or detected and corrected on a timely basis.

Our consideration of internal control over financial reporting was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control over financial reporting that might be deficiencies, significant deficiencies, or material weaknesses. We did not identify any deficiencies in internal control over financial reporting that we consider to be material weaknesses, as defined above. However, we identified certain deficiencies in internal control over financial reporting, described in the accompanying schedule of findings and responses as item 10-1, that we consider to be significant deficiencies in internal control over financial reporting. A *significant deficiency* is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

Compliance and Other Matters

As part of obtaining reasonable assurance about whether the Pointe Coupee Parish Library's financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective

of our audit and, accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

We noted certain matters that we reported to management of the Library in a separate letter dated May 23, 2011.

The Library's response to the findings identified in our audit is described in the accompanying schedule of findings and responses. We did not audit the Library's response and, accordingly, we express no opinion on it.

This report is intended solely for the information and use of the Library Board of Control, the Pointe Coupee Parish Police Jury (oversight entity), Pointe Coupee Parish Library's management, and the Legislative Auditor for the State of Louisiana, and is not intended to be and should not be used by anyone other than these specified parties. However, this report is a matter of public record and its distribution is not limited.

Major, Morrison & David
New Roads, Louisiana
May 23, 2011

Major, Morrison & David

POINTE COUPEE PARISH LIBRARY
New Roads, Louisiana
Schedule of Findings and Responses
As of and for the Year Ended December 31, 2010

SECTION I – SUMMARY OF AUDITOR'S RESULTS

Financial Statements

Type of auditor's report issued: Unqualified

Internal control over financial reporting:

Material weakness(es) identified? ☐ Yes ☒ No

Deficiency(s) in internal control identified not
considered to be material weaknesses? ☒ Yes ☐ None reported

Noncompliance material to financial statements
noted? ☐ Yes ☒ No

SECTION II – FINANCIAL STATEMENT FINDINGS

Finding 10-1

Condition: As is common in small organizations, the library does not have a staff person who has the qualifications and training to apply generally accepted accounting principles (GAAP) in preparing its financial statements, including related notes. As such management has chosen to engage the auditor to prepare the annual financial statements. This condition is intentional by management based upon the library's limited administrative personnel, along with the cost effectiveness of acquiring the ability to prepare financial statements in accordance with GAAP. Based on this decision, internal controls over the preparation of the financial statements, including the notes, in accordance with GAAP have not been established. Under generally accepted auditing standards, this represents a significant deficiency in internal controls.

Statement on Auditing Standards (SAS) No. 115 requires that we report the above condition as a deficiency in internal control. SAS 115 does not provide for exceptions to reporting deficiencies that are resolved with non-audit services performed by the auditor or deficiencies for which the costs make it impractical to correct.

Recommendation: As discussed above, whether it is cost effective or not to correct a deficiency in internal control, is not a determining factor in applying SAS 115 reporting requirements. The library has evaluated the cost vs. benefit of establishing internal controls over the preparation of financial statements in accordance with GAAP, and determined that it is in the best interests of the office to outsource this task to its independent auditors, and carefully review the draft financial statements and notes prior to approving them and accepting responsibility for the contents and presentation.

Management's Response: Management has agreed with the auditors' finding and recommendation.

POINTE COUPEE PARISH LIBRARY
New Roads, Louisiana

Summary Schedule of Prior Audit Findings
For The Year Ended December 31, 2010

<u>Ref. No.</u>	<u>Fiscal Year Finding Initially Occurred</u>	<u>Description of Finding</u>	<u>Corrective Action Taken (Yes, No, Partial)</u>	<u>Planned Corrective Action/Partial Corrective Action Taken</u>
Section I – Internal Control and Compliance Material to the Financial Statements:				
09-1	2007	Lack of qualified personnel with the qualifications & training to apply GAAP in preparing the entity's financial statements.	Partial	The library has evaluated cost vs. benefit of establishing controls over preparing the financial statements in accordance with GAAP & determined that it is best to have the auditors prepare the financial statements & notes and review and approve all drafts before approving the final reports for issuance to the public.

Section II – Internal Control and Compliance Material to Federal Awards:

Not applicable.

Section III – Management Letter:

We commented on the lack of personnel needed to prepare financial statements in accordance with GAAP.

POINTE COUPEE PARISH LIBRARY
New Roads, Louisiana

**Corrective Action Plan for
Current Year Audit Findings
For The Year Ended December 31, 2010**

<u>Ref. No.</u>	<u>Description of Finding</u>	<u>Corrective Action Planned</u>	<u>Name of Contact Person</u>	<u>Anticipated Completion</u>
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Section I – Internal Control and Compliance Material to the Financial Statements:

10-1	The library does not have a staff person who has qualifications & training to apply GAAP in preparing the entity's financial statements.	The library has evaluated cost vs. benefit of establishing controls over preparing the financial statements in accordance with GAAP & determined that it is best to have the auditor prepare the financial statements and notes & review drafts before approving the final reports for issuance to the public.	Melissa Hymel Patsy Russo	Ongoing
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Section II – Internal Control and Compliance Material to Federal Awards:

Not applicable.

Section III – Management Letter:

We commented on the lack of personnel needed to prepare financial statements in accordance with GAAP.

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VAN P. MAJOR, CPA (1951-2005)

Board of Control
Pointe Coupee Parish Library
New Roads, Louisiana 70760

In planning and performing our audit of the financial statements of the governmental activities and each major fund of the Pointe Coupee Parish Library as of and for the year ended December 31, 2010, in accordance with auditing standards generally accepted in the United States of America, we considered the Library's internal control over financial reporting (internal control) as a basis for designing our auditing procedures for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the Library's internal control. Accordingly, we do not express an opinion on the effectiveness of the Library's internal control.

Our consideration of internal control was for the limited purpose described in the preceding paragraph and was not designed to identify all deficiencies in internal control that might be significant deficiencies or material weaknesses and, therefore, there can be no assurance that all such deficiencies have been identified. In addition, because of inherent limitations in internal control, including the possibility of management override of controls, misstatements due to error or fraud may occur and not be detected by such controls. However, as discussed below, we identified certain deficiencies in internal control that we consider to be significant deficiencies.

A *deficiency in internal control* exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct misstatements on a timely basis. A *material weakness* is a deficiency, or combination of deficiencies, in internal control, such that there is a reasonable possibility that a material misstatement of the entity's financial statements will not be prevented, or detected and corrected on a timely basis.

A *significant deficiency* is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance. We consider the following deficiencies in the Library's internal control to be significant deficiencies:

Item 10-1: The Library's office does not have a staff person who has the qualifications and training to apply generally accepted accounting principles in preparing its financial statements, including related notes.

This communication is intended solely for the information and use of the Library, management, the Legislative Auditor for the State of Louisiana, federal awarding agencies, and pass-through entities and is not intended to be and should not be used by anyone other than these specified parties. However, this report is a matter of public record and its distribution is not limited.

Major, Morrison & David
New Roads, Louisiana
May 23, 2011

